

Message Text

CONFIDENTIAL

PAGE 01 BOGOTA 02993 031848Z

50

ACTION ARA-10

INFO OCT-01 ISO-00 ARAE-00 SSO-00 INRE-00 AID-05 CIAE-00

COME-00 EB-07 FRB-03 INR-07 NSAE-00 TRSE-00 XMB-02

OPIC-03 SP-02 CIEP-01 LAB-04 SIL-01 OMB-01 NSC-05

SS-15 STR-04 CEA-01 L-02 H-02 /076 W
----- 096194

O 031700Z APR 75

FM AMEMBASSY BOGOTA

TO SECSTATE WASHDC IMMEDIATE 7861

C O N F I D E N T I A L BOGOTA 2993

FOR ARA ASST SEC ROGERS FROM AMBASSADOR

EO 11652: GDS

TAGS: EAID CO

SUBJ: FOREIGN MINISTER TO RAISE GOC REQUEST FOR EXTENSION OF IDB LOAN

1. GOC DIRECTOR OF PUBLIC CREDIT, CHRISTIAN MOSQUERA, PERSONALLY APPROACHED EMBASSY AT SPECIFIC REQUEST OF FINANCE MIN RODRIGO BOTERO TO ASK FOR EMBASSY SUPPORT FOR COLOMBIAN REQUEST FOR SECOND ONE-YEAR EXTENSION TO IDB LOAN FOR RURAL ROAD CONSTRUCTION. LAST NIGHT UNDER-SECRETARY FOR ECONOMIC AFFAIRS OF FOREIGN OFFICE PERSONALLY APPROACHED ME ON SAME POINT AND INFORMED ME THAT FOREIGN MINISTER LIEVANO WILL RAISE THIS MATTER DURING HIS VISIT TO WASHINGTON NEXT WEEK.

2. AS YOU KNOW, THE IDB LOAN WAS FOR DOLS 17 MILLION AND DOLS 16.4 MILLION HAVE ALREADY BEEN INVESTED IN THE PROJECT. WHAT IS AT ISSUE IS AN EXTENSION OF THE REMAINING UNCOMMITTED AMOUNT WHICH AMOUNTS TO DOLS 3.2 MILLION, THE FINAL 19 PERCENT OF THE LOAN. IN HIS APPROACH TO US, MOSQUERA STRESSED THE SOCIAL IMPORTANCE TO THE GOC OF THE RURAL ACCESS ROAD PROGRAM INVOLVED. BOTH MINISTRIES STRESSED THE UNUSUAL AND UNAVOIDABLE CIRCUMSTANCE WHICH CAUSED THEM TO ASK FOR
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 BOGOTA 02993 031848Z

THIS FLEXIBILITY, VIZ., THE CHANGE IN GOVERNMENTS IN

AUGUST AND THE NEED FOR THE NEW ADMINISTRATION TO CONCENTRATE IMMEDIATE EFFORTS ON FISCAL REFORM AND MACRO-ECONOMIC PROBLEMS AT THE EXPENSE OF DEVELOPMENT PROJECTS, ALL OF WHICH SLOWED DOWN DISBURSEMENT OF ASSISTANCE LOANS IN 1974. BOTH STRESS THE FACT THAT THE SOCIAL, AND NOW POLITICAL, IMPORTANCE OF THIS PARTICULAR PROJECT MAKES IT IMPORTANT TO THE GOC TO COMPLETE THE PROJECT THIS YEAR AND THAT IT NEEDS THE EXTENSION TO DO SO. IF IT IS DENIED IT, THE GOC ARGUES, IT WILL BE UNABLE TO MEET PRESSING SOCIO-ECONOMIC NEEDS WITH CONSEQUENT ADVERSE POLITICAL AND SOCIAL EFFECT.

3. I WOULD LIKE TO CALL YOUR ATTENTION TO THE FOLLOWING CONSIDERATIONS:

A) HIGH LEVELS OF THE GOC ARE NOW SEIZED WITH THIS PROBLEM AND IT HAS BECOME A MATTER OF IMPORTANCE TO THEM. THIS IS A CLASSIC EXAMPLE OF THOSE SITUATIONS IN WHICH SOMETHING OF RELATIVELY SMALL IMPORTANCE TO US IS OF GREAT IMPORTANCE TO THE OTHER COUNTRY.

B) THE GOC HAS ZEROED IN ON US AS THE OBSTACLE TO FULL DISBURSEMENT OF THE LOAN, NOT WITHOUT REASON. THUS WE HAVE A CLASSIC EXAMPLE OF ANOTHER DILEMMA, THE LINKAGE PHENOMENON I DESCRIBED TO YOU IN BOGOTA 2128.

C) TO DESCRIBE THE ISSUE AS WHETHER TO REMAIN FAITHFUL TO "PRINCIPLE" OR TO CAVE IN AT EVERY "POLITICAL" REQUEST IS TO MISSTATE IT. THE ISSUE IS WHETHER OR NOT THE REALITY IS SUCH THAT THERE IS EQUITY IN THE COLOMBIAN REQUEST FOR EXTENSION, WHETHER THERE WAS FORCE MAJEURE, WHETHER AN EXTENSION MAKES SENSE IN THE DEVELOPMENTAL PROJECT ITSELF; AND, IF THERE IS, WHETHER THE POLICY OF THE BANK WILL PERMIT SATISFYING EQUITY WHERE IT EXISTS.

D) IT IS OUR VIEW THAT THE GOC SITUATION WAS INDEED UNAVOIDABLE AND THAT THEIR REQUEST IS NOT UNREASONABLE IN THE CIRCUMSTANCES, TO DENY THEIR REQUEST AGAINST THESE REALITIES THEREFORE WILL APPEAR TO THEM TO BE PUNISHING THEM FOR DEVOTING ATTENTION TO FISCAL EMERGENCIES AND TO BE CONFIDENTIAL

CONFIDENTIAL

PAGE 03 BOGOTA 02993 031848Z

UNRESPONSIVE TO REASONABLE REQUESTS.

D) TO ARGUE THAT IF WE GIVE IN WE WILL WEAKEN THE PRINCIPLE OF GOOD MANAGEMENT AND THE EFFORT TO IMPROVE DISBURSAL RATES SEEMS TO ME, IN THE LIGHT OF THE REASONABLE CIRCUMSTANCES OF THE COLOMBIAN SITUATION, UNPRODUCTIVELY "DOCTRINAIRE". ONE HAS TO ASK WHETHER REFUSING THE EXTENSION WOULD BE EFFECTIVE IN "TEACHING"

THE GOC TO BE MORE EFFICIENT; IT IS NOT, I BELIEVE, GOING TO HAVE THAT RESULT IN THIS CASE BECAUSE THE PROBLEM HERE IS NOT INERTIA, POLITICAL HAPHAZARDNESS OR "LATIN LACKADAISICALNESS"; IT IS TO THE GOC A PROBLEM OF SPECIAL CIRCUMSTANCES THEY COULD NOT AVOID. IN SHORT--AND THIS I WANT TO STRESS--IF WE VOTE AGAINST EXTENSION WE WILL NOT BE TELEGRAPHING THE LESSON WE THINK WE ARE; THEY WILL DRAW THE WRONG PERCEPTION, AND OUR TACTICS WILL BE INEFFECTIVE AND COUNTER-PRODUCTIVE.

F) TO ARGUE THAT OUR ACCOMMODATING THIS REQUEST WILL ACCENTUATE THE POLITICIZATION OF THE IDB AND ENCOURAGE OTHER COUNTRIES TO SEEK OUR SUPPORT EVERY TIME THEY DISAGREE WITH MANAGEMENT IS A STRAW MAN.

4. RECOMMENDATION: IN SHORT, I THINK THAT WHAT IS AT STAKE HERE TRANSCENDS GREATLY THE SUBSTANTIVE NATURE OF THE SMALL QUESTION ITSELF. I STRONGLY URGE THAT WE ACCOMMODATE THE GOC REQUEST.

VAKY

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CONSTRUCTION, DEVELOPMENT LOANS, HIGHWAYS
Control Number: n/a
Copy: SINGLE
Draft Date: 03 APR 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975BOGOTA02993
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D750115-0787
From: BOGOTA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750487/aaaadaym.tel
Line Count: 135
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION ARA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 05 SEP 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <05 SEP 2003 by ShawDG>; APPROVED <17 NOV 2003 by GolinoFR>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: FOREIGN MINISTER TO RAISE GOC REQUEST FOR EXTENSION OF IDB LOAN
TAGS: EAID, EFIN, CO, IDB, (MOSQUERA, CHRSTIAN)
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006